

**Department of Health and Human Services (DHHS)  
Advisory Committee on Problem Gambling (ACPG) Legislative Workgroup  
February 1, 2016**

**DRAFT Meeting Minutes**

**Location:** Via Teleconference Only

**Members Attending**

Tony Cabot  
Ted Hartwell  
Carol O'Hare  
Denise Quirk  
Debra Robinson  
Jennifer Shatley

**Members Absent**

Connie Jones  
Judge Cheryl Moss

**Other Attendees**

Don Jorgenson, Veteran's Administration  
Aaron Lyons, The Problem Gambling Center  
Tammra Pearce, Bristlecone Family Resources  
Sydney Smith, Vencer Youth Services  
Pat Petrie, Gloria Sulhoff, DHHS Grants Management Unit

**I. Call to Order, Welcome, Introductions and Announcements**

Toby Cabot, Workgroup Chair, called the meeting to order at 10:01 AM. He confirmed the workgroup members present on the call, and that Judge Moss and Connie Jones had sent their regrets. Others present on the call introduced themselves.

Pat Petrie, DHHS, reminded the workgroup members of provisions of Nevada's Open Meeting Law. Meeting notices and agendas must be posted three business days prior to the meeting. He also reminded them that emails distributed to multiple committee members may constitute a violation of the law, and counseled them to reply only to the sender; do not "reply to all". Participants were also asked to identify themselves for the record when they speak during the call.

**II. Public Comment**

Sydney Smith introduced herself, stating she is with Vencer Adolescent Treatment Center, a new center in the Las Vegas community treating adolescents with gambling and co-addictions. They are planning to open a new residential treatment center, RISE.

**III. Review Existing Methodology for Funding Problem Gambling Programs through State Support and Gaming Fees, and Make Recommendations to the ACPG**

Mr. Cabot explained that for this first workgroup meeting, the agenda items were intentionally left broad in order to gain a sense of the members' thoughts on the topics.

To begin, Mr. Cabot gave a brief history of Nevada's problem gambling program. In 2005 the Nevada Legislature passed Senate Bill (SB) 357, which created revolving account to fund problem gambling treatment, prevention and workforce development programs. This was codified in NRS 458A, which

also created the Advisory Committee on Problem Gambling to advise the Department of Health and Human Services (DHHS) in administering the account. The funding mechanism is codified under NRS 463.320 subsection 2 (e), which provides for the Gaming Commission to collect and put into the account a quarterly payment of \$2 for every slot machine in the state. The quarterly fees for restricted operations are described in NRS 463.373, and those for nonrestricted operations are described in NRS 463.375. Restricted operations are those with 15 or fewer slot machines, typically neighborhood bars and restaurants; nonrestricted operations have 16 or more machines, more typically related to casinos or larger slot-machine-only locations. Between the two they capture every licensed slot machine in Nevada. When this was passed in 2005 there were approximately 204,000 machines in Nevada, reaching a peak of 207,000 in 2006. The number has steadily declined to only 174,548 slot machines in 2015, resulting in a loss of more than 30,000 machines and \$60,000 per quarter, or \$240,000 per year, since SB357 was adopted. Mr. Cabot included this item on the agenda to allow for discussion on methodologies to create a more consistent stream of revenue. He believes the current revenue stream will continue to decline given the trend in player preferences towards other forms of legal gambling.

Discussion included:

- Tying funding to gaming licenses, rather than to a specific area of gaming. This would capture new areas like fantasy sports, and include vendors and manufacturers as well, so that all ventures making money from gambling are contributing to the program.
- Broadening the scope of funders to businesses and individuals outside the gaming industry. Some problem gambling programs receive support from gaming companies; we don't want the industry to say they already gave to the State and lose this funding stream.
- Adding a new fee, increasing the tax, or mandating an allocation of the existing tax to this fund. It was noted that the industry has never had an increase, and they might lobby heavily against it.
- Asking the State for funding from general funds. The group brought up two concerns with this approach. The legislature, when approached with anything gaming related, has always asked how much the industry was going to pay. Also, funding may fluctuate based on changing economics, and funding would be in competition with myriad other budget considerations.
- Taking into consideration the associated equipment licensees. Find out how many types there are, and how much would be generated by an add-on assessment.
- Finding out how other states come up with their funding formulas, where Nevada falls in the methodology, and where we could duplicate successes. Research should be limited to states with casinos; lottery states should be excluded.
- Asking the Gaming Control Board to share information on all the different types of regulations and licensing in the state and get a breakdown of the income by fixed license fees and percentage based on revenues fees.

Mr. Cabot recapped two follow-up items on this topic.

- Ask Dr. Marotta to research funding methodologies in comparable states and find out what percentage of gross gaming revenue is given to their problem gambling program. This would give the workgroup a base line to start from.

- Mr. Cabot volunteered to frame questions for the gaming board to get a breakdown of the money coming from the industry to the state, and whether the funds are based on revenue or other metrics. This will give the workgroup an idea of how the state collects money based on participation in the gaming industry and a framework for how to share the burden across different participants. Once the questions are framed, the actual request should come from a state agency, rather than the ACPG.

**IV. Review what may be required in terms of programs, resources and funding to have a fully Comprehensive Statewide Problem Gambling Program**

Mr. Cabot stated that before the legislature is approached with a new formula or plan for more consistent funding, it's necessary to understand what we're asking of them; what amount of money is required to provide a comprehensive program and what that program would provide.

Discussion included:

- The growing need for funds due to the development of new providers.
- The need to collect and include data on individuals being treated for problem gambling but not being billed to the state, as well as service providers who are not part of the state system, or who may not have certified program gambling counselors on staff but are treating problem gamblers.
- Finding out how other states are allocating their funding between treatment, prevention and workforce development.
- Reviewing several past years of grant requests to see how much was being asked compared to how much was available.
- Whether there is a way to find out the percentage of individuals being treated for substance abuse or other mental health issues who also have gambling issues, and then finding out how much the state provides to fund those services.
- Collecting data on the benefits and cost-savings to the state that a well implemented, comprehensive problem gambling program would provide.
- Ms. Quirk suggested creating another workgroup to gather this information and volunteered to spearhead the effort.

Mr. Cabot summarized the discussion, and suggested the workgroup report back to the ACPG with a recommendation to create a new workgroup to focus on issues of programs, resources, and funding necessary on a strategic basis.

- Ms. Quirk motioned to bring a recommendation to the ACPG that a new workgroup be formed for the purpose of researching the requirements of a comprehensive statewide problem gambling program. She asked Ms. Shatley if she would agree to chair the workgroup.

Discussion.

Ms. Shatley agreed to chair the new workgroup, but noted she would be resigning from the ACPG because she no longer fulfilled the requirement of her seat, that of holding a gaming license or representing a company that holds a gaming license. Mr. Petrie confirmed that workgroup members do not need to be members of the ACPG, and that the workgroup can elect

a chair from any of its members.

Ms. O'Hare reiterated Ms. Quirk's motion that the Legislative Workgroup bring a recommendation to the ACPG to form another workgroup for the purpose of determining what would be required for a comprehensive statewide problem gambling program, and seconded the motion. The motion carried unopposed.

**V. Review Existing State-Authorized Programs and Make Recommendations to the ACPG**

Mr. Cabot asked if there were other topics legislative in nature that should be discussed. The group was in agreement regarding the statute's confined structure for committee membership and the role of the committee, which has evolved over time with less involvement in the allocation of grants and more focus on advocacy, implementation of program, and strategic planning.

Ms. Quirk asked for comments from anyone on the call familiar with gaming practices or from the gaming world regarding other businesses they could look to for funding and support. She would like to conduct a prevalence study, which is costly, and involve more community partners. Ms. Shatley suggested the university system, but that would require funding. In most other states with research associates, support comes out of the gaming fund. If Nevada's fund could be restructured to allow fund allocations for other uses, that would be a viable approach, but she thinks it will be difficult to find other sources of funding. Ms. O'Hare concurred, adding that until we have enough of a funding stream, it's a long reach to get to the major philanthropic foundations or others who would see value in supporting the fund. Ms. Quirk thought the banking, finance, and education industries might be approached once data has been collected; individuals with co-occurring disorders have lots of concerns with finances and other issues.

Ms. Shatley mentioned the National Center for Responsible Gaming (NCRG) as a potential donor. It is difficult to find money outside of gaming industry, but because their supporters are in the industry, almost all in Nevada, they might be approached to discuss allocating funds for this research. When Ms. Shatley served on their board, they were looking at ways to better focus research. Ms. O'Hare added that while the majority of the NCRG's funding comes from gaming companies, they have no say in the research, so the research is nonbiased. The NCRG deserves the most credit for problem gambling categorized in SAPTA and included in those insurance codes.

Ms. O'Hare asked Ms. Quirk to expand on her comments about a prevalence study, the methodologies to be used and what type of information we want to gather. Ms. Quirk said a good starting point would be for the new workgroup to frame this question.

Mr. Cabot summarized the two legislative items of discussion.

- Review the make-up of the ACPG and provide greater flexibility regarding its members. Mr. Cabot volunteered to redraft NRS 458A.060, Item 2, which describes who should be appointed, in a way that would give the governor greater flexibility in appointing people to the committee and at the same time try to retain some direction so the committee has adequate coverage. His redraft would be brought back to the workgroup for review and discussion.
- Look at the duties of the committee as described in NRS 458A.070 to see if those should be modified to reflect a more strategic basis for the committee and what that state should be doing to address problem gambling. Ms. O'Hare agreed to draft some language to redefine the role of the committee to bring back to the workgroup for discussion.

There being no further comments on other items the workgroup might want to look at from a legislative perspective, Mr. Cabot closed discussion on agenda item V.

**VI. Public Comment**

None.

**VII. Schedule Next Meeting**

Mr. Cabot thought it would be appropriate for the workgroup to meet on a monthly basis to begin with. The group tentatively scheduled the next meeting for Monday, March 7, from 10 am to noon. The Department was tasked with sending a Doodle poll to all members, and inquiring as to general availability on the first Monday of the month.

**VIII. Adjournment**

- Ms. O'Hare moved to adjourn the meeting. The motion was seconded by Ms. Quirk and carried unopposed. The meeting adjourned at 11:31 AM.